

**FIRST 5 CALIFORNIA
CHILDREN & FAMILIES COMMISSION**

**October 16, 2003
Hilton Burbank Airport
2500 N. Hollywood Way
Burbank, CA 91505**

Agenda Item 1 – Call to Order

Chairman Reiner called the meeting to order at 9:10 a.m.

Agenda Item 2 – Roll Call

Commissioners Present: Rob Reiner, Chairman
Elizabeth Rice Grossman
Sandra Gutierrez
Eliseo Medina
Margaret Taylor
Louis Vismara

Commissioners Absent: Alice Walker Duff

Ex Officio Commissioners Absent: Genie Chough, Health and Human Services Agency
Theresa Garcia, Office of the Secretary for Education

Chairman Reiner welcomed and introduced two members of the Commission: Margaret Taylor, Director of Health Services for San Mateo County, who was appointed by the Governor to fill the health executive position on the Commission, and Eliseo Medina, International Executive Vice President for the Service Employees International Union, who was also appointed by the Governor.

Agenda Item 3 – Approval of Minutes

Chairman Reiner asked for a motion to approve the July 22, 2003 Commission meeting minutes.

Commission Action: Following a few noted minor corrections, Chairman Reiner moved to approve the July 22, 2003 Commission meeting minutes. The motion was seconded by Commissioner Grossman and was approved with a unanimous vote of the members present.

Agenda Item 4 – Chairman’s Report

Chairman Reiner reported that the Los Angeles First 5 Commission has allocated an additional \$500 million over a 5-year period to provide universal preschool for all four-year olds in Los Angeles County. Chairman Reiner stated that this should not be thought of as just a three-hour preschool program for four-year olds. He stated that this is a countywide system that is being put in place, which can serve as a delivery system for a number of other services, such as health care. It is also a great way of communicating with parents of young children and bringing their children into the health care system. Chairman Reiner then acknowledged Renata Cooper, a member of the Los Angeles County Commission who was present at the meeting, for First 5 LA’s work.

Chairman Reiner reported that First 5 received an award for its ad “Growing Down.” The award was for outstanding achievement in public service announcements from the Literacy Network of Greater Los Angeles. Chairman Reiner thanked Roy Behr and his team at GMMB for helping develop the innovative ad.

Chairman Reiner reported that First 5’s latest round of paid media spots began airing throughout California on October 8th. The spots continue themes the Commission established in previous campaigns. He reported that there are two spots focusing on the importance of preschool and one spot focusing on parental involvement. There are also anti-tobacco radio and print ads. Chairman Reiner noted that the campaign would feature 11 languages. The campaign will continue through early December.

Chairman Reiner reported the following subcommittee appointments: Elizabeth Rice Grossman to serve on the Commission’s Media and Advocacy subcommittee and Alice Walker Duff to serve on the Research subcommittee.

Chairman Reiner noted that Commissioner Grossman in the recent past visited Neighborhoods for Learning in Ventura County and asked her to report on her visit.

Commissioner Grossman reported that she visited three preschool sites at the Conejo Valley Neighborhoods for Learning that have been operating for about a year and sites in the Oxnard and Rio Neighborhood for Learning sites that were just about ready to open. She stated that one of the site visits in Oxnard was on a day where parents were registering their children for the school readiness/preschool program. Commissioner Grossman stated that it was exciting to see the parents engaged and to see the school readiness vision of the Commission come to fruition.

Chairman Reiner stated that at the beginning of each year the Commission usually holds a two-day planning session. However, the Commission now has a strategic and operational plan, the development of which has been the primary purpose of past planning meetings. Following a brief discussion, it was determined that the Commission will meet for a day and a half on January 15-16 in Southern California to plan for 2004.

Chairman Reiner reported that the Joint Legislative Audit Committee approved a request from Senator Dean Florez to audit several County Commissions, as well as the State Commission. These audits will be conducted by the Bureau of State Audits. Chairman Reiner reported that Senator Florez had requested an audit of Kern County and two others, for comparison purposes. But in the course of the hearing, the Bureau of State Audits announced that it would not single out any one county. Rather, it will review the funding balances of all 58 County Commissions and select the top five for auditing. The State Commission will be subject to the audit, although the scope of the audit is not yet clear. At the JLAC hearing, the State Auditor has indicated that all of the audits will be initiated by January 2004.

Chairman Reiner reported that the California Supreme Court denied the petitions submitted by CART and Cigarettes Cheaper for a review of the appellate court decision in the consolidated cases challenging Proposition 10. Barring an appeal to the U.S. Supreme Court, these cases have successfully concluded. Chairman Reiner thanked Bill Carter and Michael Cornez from the Attorney General's Office and James Harrison from Remcho, Johansen (**check spelling**) and Purcell for their success in defending Proposition 10.

Chairman Reiner reported that KCET, the Public Television Station in Los Angeles has requested funding for parental education programming on public stations throughout the state. He reported that staff will be coordinating meetings with KCET, the County Association, and others to discuss possible partnerships and will report on this at the January meeting.

Commissioner Gutierrez stated that this would also be a vehicle for providing information to the informal caregivers.

Chairman Reiner acknowledged former First 5 Commissioner Kim Belshé for her work on the Commission. Ms. Belshé will be working with former Commissioner Robert Ross at the California Endowment. (Note: Since this meeting, Governor Schwarzenegger has appointed Ms. Belshé Secretary of the California Health and Human Services Agency.)

Agenda Item 5 – Executive Director's Report

Jane Henderson, Executive Director, First 5 California, provided a brief report on various issues/activities:

Dr. Henderson reported on the School Readiness Initiative. Currently there are 172 School Readiness programs underway in 56 counties. By the end of 2003, every county would be participating in the initiative, with more than 200 programs in operation. Of the \$192.8 million budgeted by the Commission, \$150 million has already been requested, matched on at least a 1:1 basis with County Commissions and local funds. A statewide School Readiness Symposium focusing on best practices will be held on December 9-10 in Sacramento. Dr. Henderson acknowledged Roberta Peck and her staff for their work on this effort.

Commissioner Vismara requested a future update on the effect of the School Readiness Initiative on schools' readiness for children.

Commissioner Gutierrez emphasized the importance of the relationship between School Readiness and the Preschool for All Initiative. She noted that Los Angeles is working to ensure the two initiatives move forward together.

Dr. Henderson reported on the Children of Migrant and Seasonal Farm Worker Project. She reported that this project is ahead of schedule and is progressing smoothly. This project was funded at \$10 million over four years and is focused on providing early childhood education services to children of farm workers by partnering with the Migrant Education Even Start Program and the United Farm Workers to enhance the existing migrant early childhood education infrastructure. The goal is to reach 9,300 children in 22 counties, which is double the original projection.

Commissioner Medina asked if families must be migrant to participate. Dr. Henderson stated that many farm worker families now live in one location, while individual family members travel seasonally. She clarified that the families do not have to be migrant families as is the case with the federally funded early childhood migrant education program.

Dr. Henderson reported that as part of the Commission's statewide evaluation process, the Commission's evaluation contractor, SRI, has drafted an action plan for how to evaluate state and county implementation of the Principles on Equity, which were developed by the Commission's Advisory Committee on Diversity and adopted by the Commission in 2001.

Dr. Henderson reported that a new contract for the Kit for New Parents has been awarded to ALOM Technologies in Fremont. The Commission received eight proposals for the RFP to continue the distribution of the Kit. The total project cost is \$17.50 per Kit, based on 250,000 kits per year. ALOM offers the opportunity to streamline Kit management by providing counties and other partners with easier ordering and shipping, including on-line ordering, and guarantees 24-hour shipping. The contract is expected to be in effect by January 2004.

Dr. Henderson reported that the Commission's sponsored legislation, Assembly Bill 179 (Chan) has become law. This bill permits that State Commission to officially be known as First 5 California.

Dr. Henderson reported that a Request for Proposals for the Special Needs Project was released on August 28 and that proposals are due October 30. Once the contractor is selected, staff will work with the contractor and an advisory group to refine selection criteria for local demonstration sites. She reported that the State Department of Mental Health will continue to administer the Infant, Preschool, and Family Mental Health project at its current sites for 18 months, at which time funding for early mental health efforts will be built into the Special Needs

Project demonstration sites. She reported that staff is in the preliminary planning stages for a media announcement of the Special Needs and Disabilities project.

Commissioner Gutierrez asked when the Commission would hear the reports from the focus groups on Informal Caregiver Support. Emily Nahat, Deputy Director of Program Management for First 5 California, responded that staff are expecting to provide the focus group findings in January.

Agenda Item 6 – First 5 Association of California

Mark Friedman, President of the First 5 Association of California and Executive Director of First 5 Alameda County, provided a brief update of activities in which the Association is involved:

The Association's Preschool for All Task Force is developing principles that will be sent to all county commissions for ratification. This will enable the Association to work more effectively in the statewide movement of Preschool for All.

The next Statewide Conference of County Commissions will be held in Burlingame on April 20-23, 2004, and an Association-led planning effort is underway.

The Association is working with State Commission staff on the determination by the Board of Equalization of the amount of the backfill that will be required for Proposition 99. Mr. Friedman acknowledged Mike Ruane, Executive Director for First 5 Orange County, on his work in this effort.

The Association is reaching out to the tobacco control community to ensure coordination and understanding of one another's efforts. He reported that he and Sherry Novick, Executive Director, First 5 Association of California, will meet with the Tobacco Education and Research Oversight Committee at its October meeting.

Mr. Friedman reported that the Association is increasingly aware of the importance of synthesizing the First 5 message by linking evaluation efforts with media and outreach strategies. He reported that this would be a focus of the next Association meeting.

Agenda Item 7 – First 5 California Health Access for All Children (birth to 5) Initiative

Barbara Marquez presented this action item to approve \$46.5 million to support the First 5 California Health Access for All Children Initiative (0-5). This would be comprised specifically of insurance premiums (\$42.5 million); outreach and enrollment (set aside of \$3 million); and quality enhancement/evaluation (set aside of \$1 million).

In addition to the financial commitment, First 5 will create incentives for local commissions to adopt a universal coverage goal for children; create guidelines that promote consistency across the state; provide policy leadership on children's coverage issues; and effectively partner with local commissions, other local agencies and foundations to extend the benefits of this initiative to older children (6-18).

Ms. Marquez reported that this proposal is representative of a partnership with County Commissions and foundation Partners: The David and Lucile Packard Foundation, The California Endowment, the California Wellness Foundation and the California Healthcare Foundation.

It is estimated that there are over 1 million children (ages 0-18) who are uninsured in California. Approximately 200,000 are young children from birth to 5 years of age. Of the uninsured young children (birth to 5) in California, 78% qualify for Medi-Cal or Healthy Families Programs; 11% are ineligible because of income and 11% are ineligible because of their citizenship status.

Ms. Marquez highlighted efforts currently underway by the State Commission, County Commissions, foundations and other partners to address the problem of uninsured children. The Commission's previous and ongoing efforts have included the Oral Health Initiative; Childhood Asthma Initiative; Infant and Family Mental Health Initiative; the Special Needs Project; and the School Readiness Initiative (health element).

Ms. Marquez reported that the County Commissions that have engaged in health access for children fall into three groups, which are based on their stage of planning and implementation. One group of County Commissions are already participating in the implementation of a health insurance expansion program or planning to do so within the next two years. Several counties are now offering expanded health insurance coverage to all uninsured children in families under 300% of the poverty level and County First 5 funds subsidize the premium costs for children (0-5). Another group of County Commissions are working on health access related strategies involving systems change, infrastructure development, outreach, and enrollment. Finally, other County Commissions are in the early stages of convening the appropriate stakeholders to generate the necessary interest, develop partnerships, and commence a planning process. The majority of the counties are supporting a Healthy Kids Program, which offers a comprehensive medical, dental and vision benefit package. A few counties are supporting programs that offer only outpatient services or only medical services (no dental or vision). Cost of premiums for older children (6-18) are being covered from a variety of other sources.

Ms. Marquez reported that foundation partners (noted above) have made significant investments towards addressing the issues of the uninsured population in California.

Policy Development/Advocacy -- \$36 million
Premium Subsidies -- \$24 million
Support for Enrollment -- \$6 million
Technical Assistance -- \$4 million
Evaluation -- \$2.5 million

The two goals for this initiative are to 1) increase enrollment in Medi-Cal and Healthy Families for children who are eligible; and 2) create a health insurance benefit for the ineligible children who have family incomes below 300% of the federal poverty level.

Ms. Marquez then touched on the roles and responsibilities for key partners in four essential components—insurance premium subsidies, technical assistance, outreach and enrollment, and quality enhancement and evaluation.

- Insurance Premium Subsidies

State Commission – Allocate approximately \$10.625 million annual to the County Commissions over 4 years. This allocation is based on the estimated annual premium cost of \$1,100 per child for a total of \$42.5 million to cover premium subsidies for young children (0-5)

County Commissions – Cash match requirement of \$4 (from local sources, not limited to County First 5 funds) to every \$1 from First 5 California for a total of up to \$170 million to cover premium subsidies for young children (0-5)

To qualify for the insurance premium allocation, the county expanded health insurance program must 1) have a standardized benefit package that matches the Healthy Families Program; 2) be available to any young child (0-5) who is ineligible for either Medi-Cal or the Healthy Families Program and whose family income is below 300% of the FPL; and 3) have or have plans for one open door for enrollment to all insurance programs for children under 300% FPL. Other considerations regarding premium allocation include 1) county allocation amounts are capped; 2) there will be no minimum allocation for counties with small populations of uninsured; and 3) the contracted health plans must work with safety net providers and other health providers with established records of providing culturally competent and linguistically appropriate services.

Foundations and Other Partners Insurance Premium Subsidies – Multiple other sources of funds are needed for older children (6-18). To assist with the insurance premiums of older children (6-18), the First 5 funds can be leveraged for additional financial commitments from other key partners: county government, city governments, health plans, hospitals, other health agencies, foundations and business/corporations.

- Technical Assistance

State Commission – There are no new funds or efforts.

County Commissions – May use regional TA funds or county resources.

Foundation Partners – Continue to provide leadership and resources to support technical assistance for addressing county and regional needs.

- Outreach and Enrollment

State Commission – Consider focusing the next phase of the First 5 Community-Based Outreach (CBO) Program on health insurance coverage. Recommend a \$3 million set aside until a full discussion on the CBO Program has occurred.

County Commissions – some have allocated funds specifically for outreach and enrollment.

Foundation Partners – Continue to provide leadership and support to a number of promising outreach/enrollment strategies and approaches.

- Quality Enhancement and Evaluation

The State staff would monitor the enrollment and retention data by county—disaggregated by ethnicity, age, children with disabilities, etc. In addition, utilization and quality assurance data reports would be reviewed.

State Commission – Recommend a \$1 million set aside.

County Commissions – Some support for quality enhancement efforts and the testing of different service delivery models.

Foundation Partners – Have and continue to fund a number of studies on the uninsured population and strategies for improving the enrollment and services and advancing the policy agenda.

Ms. Marquez then highlighted the timeframe for this proposal, which is approximately a four-year allocation to each county that meets the qualification requirements. The application process would be established and activated by January 2004. The applications from the County Commissions would be accepted on a continuous basis through January 2006. The program would have ongoing monitoring and review with an anticipated major assessment in January 2006. A recommendation would be issued for any unused funds, which may result in revising the county allocation levels or possibly using funds to support other strategies for addressing the needs of the uninsured population.

Discussion:

Chairman Reiner stated that the Commission's purview is for children age 0-5, but that this is an extraordinary opportunity to insure every child in the State of California. He stated that any allocation funds made should be done with a proviso that insuring all children in California is the Commission's ultimate goal.

Commissioner Medina asked about the impact of Senate Bill 2 (Burton), which was recently signed by Governor Davis. Chairman Reiner responded this bill affects employers that have over 50 employees. He stated that the impact of SB 2 is about 1 million people. He stated that California has 6 to 7 million uninsured Californians. Ms. Marquez stated that staff is working with the Managed Risk Medical Insurance Board (MRMIB) and will be having discussions with them about SB 2 and will be reporting back to the Commission at a future date.

Commissioner Medina expressed the importance of assuring families that they will not face adverse consequences by participating when they later apply for citizenship, which is a problem that exists in many current programs.

Commissioner Taylor stated that the initiative would reach families who currently fall through the cracks because they are employed sporadically or by small companies that are not subject to SB 2. She thought this would also be a good way to reach parents about the issue of childhood obesity.

Commissioner Gutierrez requested that the initiative explicitly address the interface with School Readiness and other Commission initiatives and suggested that the Commission's paid media and outreach strategies might be useful. Nicole Kasabian Evans, Communications Director for First 5 California, responded that the media campaigns of the health insurance programs did not make a big impact on enrollment; it impacted inquiries but not actual enrollment.

Ms. Evans reported that the Commission's CBO program is currently funded at \$6 million a year. She reported that there is a significant decline in the media account and because of that, staff will be recommending a \$3 million funding amount per year for the next three years. The \$3 million dollar set-aside for this proposal would be an additional \$1 million per year for a total of \$4 million per year. Ms. Evans reminded the Commissioners of the potential use of the CBO program but that the Commission has yet to determine the future focus of the CBO program.

Commissioner Medina urged the Commission to leverage resources, particularly in the ethnic media as they are extremely interested in issues that matter with the community. He suggested leveraging with public service announcements, public affairs programming, and working with community-based organizations.

Commissioner Vismara suggested the Commission should look into legislation to simplify existing programs, since most uncovered children are eligible but not enrolled in them.

Jolene Smith, First 5 Santa Clara County briefly described how the full coverage program in Santa Clara County offers a large open door for families by relying upon a single electronic application and application assisters who track retention through ongoing follow-up with families.

MOTION: Chairman Reiner moved to approve the allocation of \$46.5 million for the California Health Access for All Children (birth to 5) Initiative. The motion was seconded by Commissioner Grossman.

Public Comment:

Reya Dryer, representing the Community Health Council and The California Endowment-funded Los Angeles Access to Health Coverage Initiative, commended the Commission on its dedication to health access for children. She urged the Commission to look at a broad range of funding and to not have such a focus on premium assistance but include greater resources on outreach and retention efforts. Ms. Dryer suggested that the Commission increase the portion of the funding that goes to outreach, enrollment and retention activities to be no less than 10 percent of the overall budget. She also encouraged the Commission to provide leadership for strengthening the health delivery system beyond health insurance coverage.

Caroline Reeves, representing the Covering Kids and Families Project, commended the Commission for making the commitment in this effort.

Linda Baker of the David and Lucile Packard Foundation stated that the Foundation is excited to be working with the Commission. She stated that the outreach component is to fill in a missing piece in the health care system for children in California.

MOTION AND ACTION: Chairman Reiner moved to approve the allocation of \$46.5 million, which specifically support: Health Insurance Premiums (\$42.5 million); Outreach and enrollment activities (set aside of \$3 million to possibly combine with the First 5 CBO Program); and Quality Enhancements and Evaluation activities (set aside of \$1 million). The motion was seconded by Commissioner Grossman and was approved by a unanimous vote of the members present.

This First 5 California investment largely supports 4-year allocations to the County Commissions to assist with paying for the health insurance premiums to cover the state's approximately 48,000 youngest uninsured children (birth to 5 years of age) who are ineligible for Medi-Cal and Healthy Families and who have a family income below 300% of the Federal Poverty Level (regardless of immigration status). The county allocations will require a \$1 state to \$4 local cash match to subsidize premiums for an insurance program that offers a comprehensive benefit

package (medical, dental and vision) that mirrors the Healthy Families Program. The county allocation application process is scheduled to be established and operational by January 2004.

Agenda Item 8 – Media and Public Relations Requests for Proposals

Nicole Kasabian Evans, Communications Director for First 5 California, provided a brief summary of this proposal for a six-month extension for the paid media contract—GMMB for \$12 million and the public relations contract—Rogers & Associates for \$2.5 million. The proposal also requests the funding and release of two Requests for Proposals (RFPs): Paid Media for \$22.5 million per year for three years (\$67.5 million total) and for Public Relations for \$7 million per year for three years (\$21 million total).

For purposes of clarification for the new members on the Commission, Ms. Evans briefly described the Commission's communications program approach, which consists of paid media, earned media and CBO approach. She stated that this is a comprehensive approach to outreach to have all the messages complement each other so that First 5 California reaches the majority of Californians.

The Commission's current three-year, \$90 million paid media contract with GMMB and subcontractors IW Group and Durazo Communications concludes in December 2003. The three-year \$36 million public relations/CBO/materials distribution center contract with Rogers & Associates and subcontractors IW Group and Bauman Curry concludes in March 2004.

Ms. Evans reported that at the July Commission meeting, the Commission moved this item over until the October meeting, and therefore, staff is requesting a contract extension to allow staff to proceed with a thorough RFP process to allow potential bidders to prepare their best possible bid.

In addition to the request for contract extensions, staff requested funding for a three-year \$67.5 million contract (\$22.5 million per year) to be competitively bid for paid media. A new component of the request is an extension clause to allow the Commission to extend the contract for two years with additional funding if the Commission so elects. The successful bidder would be expected to manage the development of a multi-lingual campaign targeting California's diverse populations.

Staff also requested funding for a three-year \$21 million contract (\$7 million per year) to be competitively bid for public relations/CBO. She reported that this RFP would also include a clause to allow the Commission to extend the contract for two years with additional funding if the Commission so decides. The scope of work for the public relations contract will include media relations support, materials distribution center, and the CBO Outreach program. The successful bidder for this contract will also be expected to manage the development of a multi-lingual program targeting California's diverse populations.

Ms. Evans then provided a brief overview of the scope of work, the qualifications of the bidders and the timeframe for the RFP process for both RFPs.

Discussion:

Commissioner Vismara stated that he was interested to know what partner experts GMMB and Rogers & Associates subcontracted and worked with to address children with special needs. Roy Behr stated that GMMB has worked with a consultant with expertise in this area in developing its campaigns to make sure children with disabilities are inclusive in First 5's messages, and that Rogers & Associates has focused on special needs through the CBO program.

Commissioner Vismara expressed concern about a message he perceives from the paid media consultant, which is a very personal one to him – that children with disabilities and other special needs do not matter. Ms. Evans responded that staff has done considerable work when there are programs and initiatives funded at the county level that impact families with special needs children. A lengthy discussion ensued regarding this issue, resulting in some specific suggestions from Commissioners on ways to expand the Commission's access to expertise on children with disabilities and other special needs for purposes of media and public relations.

Commissioner Gutierrez requested both media RFPs require in-house expertise on issues of diversity.

Commissioner Taylor offered to help staff convene a review group of special needs experts to provide counsel and feedback on the media campaign.

Commissioner Vismara requested to have both media contracts to have in-house or subcontracted consultants on special needs issues.

ACTION: Commissioner Gutierrez moved to approve the six-month extensions in the amount of \$12 million for the GMMB contract and \$2.5 million for the Rogers & Associates contract. The motion was seconded by Chairman Reiner and was approved by a unanimous vote of the members present.

ACTION: Commissioner Gutierrez moved to approve the release and funding for two Requests for Proposals (RFPs) for public education and outreach. The RFPs will be for a three-year paid media contract--\$22.5 million per year (\$67.5 million total) and for a three-year contract for public relations/community outreach/materials distribution center--\$7 million per year (\$21 million total). Chairman Reiner seconded the motion and it was approved by a unanimous vote of the members present.

Agenda Item 10 – Closed Session

A brief closed session was convened during the lunch break.

Presentation – Children of Migrant & Seasonal Farm Worker Project

Chairman Reiner welcomed and introduced Adrianna Simmons from the Migrant Education Even Start (MEES) program, which the Commission has contracted with for its Migrant and Seasonal Farm Worker Project. Ms. Simmons thanked the Commission for the opportunity to come before the Commission and for funding the Children of Migrant and Seasonal Farm Worker Project (June 2003 meeting). Children from the Canaleno Elementary School in the Carpinteria Unified School District, who are enrolled in the MEES program, were present at the meeting to thank the Commission for its support. The children performed a dance for the Commission and then presented “Thank You” cards to Commissioners.

Agenda Item 9 – ABCD Facilities Project

Emily Nahat, Deputy Director of Program Management for First 5 California, presented a proposal for \$3 million to support a component of Affordable Buildings for Children’s Development (ABCD), which is a David and Lucile Packard Foundation initiative. The ABCD initiative will develop a financing system for the construction and upgrading of preschool and child care facilities in California, with a goal of creating 15,000 new child care center spaces over a period of five years.

ABCD has four interrelated strategies:

- 1) The ABCD Fund, which is the grant and loan fund for child care facilities.
- 2) ABCD Development Assistance, which is to increase statewide construction within educational, health and housing facilities.
- 3) ABCD Constructing Connections, which will help to strengthen the expertise of child care center operators and organizations and improve the regulatory and funding environment to support more child care facilities. (Staff is recommending that the Commission partner with Packard on this strategy.)
- 4) ABCD Campaign to Sustain Child Care, which is the advocacy arm for this whole effort.

First 5 funding would support the third of these four interrelated strategies. It would fund the development of ABCD Constructing Connections, which is largely a training and technical assistance component to build capacity among child care providers and intermediary organizations to utilize financing resources successfully to build new child care facilities. Ms. Nahat noted that First 5 State Commission funds cannot be used for actual facilities but staff found that the Commission could have a partnership role in this effort.

Ms. Nahat stated that the need for child care facilities is well established and that there is a recommendation in the California Master Plan for Education that the state should improve the situation regarding child care spaces. The California Resource and Referral Network reports that there is one licensed center-based space for every 3.5 children with working parents. She

reported that 20 counties fall below the state average and to bring those counties up to that state average would require 43,000 new spaces. Some of the reasons for the shortage are local zoning and land-use policies, providers not knowing how to access existing financing resources, and a patchwork of funding sources.

Ms. Nahat reported that Packard funded a predecessor to ABCD. In eight counties Packard funded the Local Investment in Child Care (LINC) Initiative. An independent evaluation showed that through these efforts it brought child care considerations into city and county economic planning, and educated a substantial number of child care providers in the business aspects of acquiring financing and operating centers and homes. It also created three additional center-based spaces per 100 children using those strategies.

The Low Income Investment Fund (LIIF) would take over the responsibility for managing ABCD. LIIF will establish an Advisory Committee that the Commission staff will participate on and will make recommendations to the LIIF Board on how the project will be conducted. She reported that LIIF was selected by Packard following an exhaustive search. LIIF has 18 years of providing capital and technical assistance. They have managed \$350 million in capital and also leveraged investments of over \$2.1 billion for affordable housing, child care, education and workforce development projects in low income communities. LIIF also has California specific experience.

Ms. Nahat then focused on one strategy, Constructing Connections, which is the one that the Commission would co-fund. This strategy has three different components. The first component is training and technical assistance, which provides for working with local child care providers, county commissions and others in underserved areas to become knowledgeable business partners in financing, construction and managing child care facilities. Examples of training would be for fundraising, financing, architectural design, contractor selection, loan closing and many other elements to get a child care center open. Ms. Nahat stated that the information and assistance would also help child care providers access other existing funds. She also noted that the training would be accessible for diverse providers.

The second component would be to have an expert consultation pool. These experts would be able to advise child care providers and others on all steps of financing and creating new child care spaces.

The third component is a community development project. This would involve working in selected communities to bring together child care providers and those who represent them as well as specialists from local planning jurisdictions to plan and construct ADA-compliant child care and preschool facilities. Ms. Nahat noted that the Commission would have a role in establishing the criteria for the selection of these communities. She reported that preliminary criteria include that there is great need, that the area is underserved by licensed child care, that it is a high population growth area, that the community demonstrates a need for center-based care; the community has existing pockets of capacity; can meet a 1:1 match requirement using a variety of

fund sources; demonstrates commitment to the First 5 Principles on Equity in the communities that they work with and serve; and demonstrates commitment to meet the goals for creating actual new child care center spaces. Additionally, the communities would have to participate in the School Readiness Initiative or Preschool for All at some or all the sites selected in the community.

Ms. Nahat reported that the training with the collaborative groups and 10 communities will help the communities access the need for facilities in specific areas, to identify sites, to plan and build child care centers, help identify any barriers and work toward eliminating those barriers, and it will support peer learning among the local sites and document findings to inform providers and planners throughout the state.

The timeframe for this project is that in 2004 four or five communities will be selected to begin the collaborative process, an expert consultation pool and statewide intermediary will be created, and training of the child care providers will begin. An additional five or six collaborative communities (for a total of 10) will be added in 2005. They will work toward the goal of creating 15,000 new child care center spaces over five years and an evaluation report will be provided in the sixth year. Packard is planning to select and fund an independent evaluator, who will look at some of the steps outlined in the facilities development process, as well as significant outcomes such as the increased number of child care spaces, increased number of child care facilities co-located with housing, health facilities and school, increased number of school readiness programs participating in the ABCD project, and increased number of child care facilities projects using debt to partially finance the project.

Ms. Nahat reported that the ABCD Fund already has \$25 million: \$14 million is from the Packard Foundation, \$10 million from Impact, which is a consortium of insurance companies, \$500,000 from California Community Foundation for Los Angeles, and \$500,000 from other sources. The cost of the ABCD Constructing Connections strategy is about \$6 million for the first three years and the Commission would be funding half of that. She noted that half of the ABCD Constructing Connections funding will go directly to the 10 communities and the remaining would go to the training and expert consultation pool.

Ms. Nahat then summarized that the proposal is for \$3 million total for at least three years to support the ABCD Constructing Connections component of the ABCD Initiative. The Commission would enter into a \$3 million sole source contract with LIIF. Because the ABCD Constructing Connections strategy is in the early stages of development, she suggested the language in the contract to allow the expenditure of the first \$1 million, then for the Commission to receive an evaluation on progress and plans for the remainder of the financing, and then authorize the expenditure of the remaining \$2 million.

Discussion:

Chairman Reiner asked how many new facilities would be provided/created with the Commission's funding. Ms. Nahat responded that the goal is to create 15,000 child care spaces in five years, which will require a great deal of work with private investors to join the loan pool (which is about \$40-50 million).

Chairman Reiner then asked of the 15,000 child care spaces, how many would be used by the Preschool for All Initiative or the School Readiness Initiative. Ms. Carla Dartis from the David and Lucile Packard Foundation responded that she could not answer Chairman Reiner's questions with absolutes and percentages, but said that under the ABCD Constructing Connections strategy, the Commission's funding would support a minimum of 10 centers. Ms. Dartis also stated that the technical assistance that will be provided will not only be for the creation of new child care centers, but will also be for quality improvement of existing centers as well as growing new revenues for facilities investments.

Public Comment:

Marie Young, Consultant for ABCD, stated that the criteria that encompass the School Readiness sites will be well represented in the ABCD program.

Marsha Meyer, Santa Cruz County, stated that Santa Cruz has been involved since 1996 with the LINC Project that was funded by the David and Lucile Packard Foundation. She reported that with the funding provided, they were able to bring nontraditional stakeholders to the table to talk about child care and were able to create a collaborative with the small business development center, a community development corporation, the County of Santa Cruz, Child Care Resource and Referral Agency, and the Santa Cruz Community Credit Union. As a result of this collaboration they were able to focus on business management skills for child care providers and assist providers with access to loans for renovations and other site program improvements.

Commissioner Gutierrez commended Carla Dartis of the Packard Foundation for her vision and leadership with this initiative. She also noted that she and Commissioner Duff had been working for over a year on the Packard Foundation's Advisory Committee.

Maria Raff from the David and Lucile Packard Foundation stated that the Child Care Fund started a partnership with Alameda County and other funders. The Child Care Fund, which has been operating for three years, provides small loans and grants and provides technical assistance to providers.

Patty McWaters from the LINC Project in Ventura County stated they had success in bringing child care into the economic development arena. They also made nontraditional partners e.g., (business, financial institutions) and have taken up the charge of including child care on their agenda. She encouraged the Commission to support the ABCD Project.

ACTION: Commissioner Gutierrez moved to approve \$3 million to support the ABCD Project, a Packard Foundation initiative with the goal of producing 15,000 new licensed child care spaces over the next five years. The motion was seconded by Commissioner Vismara and was approved by a unanimous vote of the members present.

The Commission's investment will fund a component of the initiative called "Constructing Connection," which will provide technical assistance and expert consultation to child care operators and others in the child care community to increase their knowledge of the facilities development process. It will also create demonstration projects in approximately 10 communities to plan and construct cost effective, ADA-compliant child care and preschool facilities.

Agenda Item 11 – Small/Rural County Support

Mark Friedman, President of the First 5 Association, and Mike Ruane, Chair of the Association's Policy Committee, presented the Association's proposal to continue State Commission funding of approximately \$3.4 million for 31 small population counties to ensure that every county has at least a \$200,000 minimum allocation and for providing a graduated augmentation for administration and travel for rural counties. They noted that approximately 80 percent of the county commissions have endorsed the proposal, with others planning to take it up in the coming month. They also noted that the State Commission's funding to date has guaranteed the statewide implementation of Prop 10.

Jean Soliz-Conklin, Executive Director of First 5 Nevada County, presented the Commission with an update on how the state funds have been used in the 31 counties. She noted that 6% of the children under age 6 live in these 31 rural counties, which is in 50% of California's acreage. Ms. Soliz-Conklin stated that rural agencies do not have the capacity to provide the planning, leadership and seed money necessary to create community initiatives or to write grants. State Commission funding has been used to meet the goals of Proposition 10:

- 1) It has strengthened families by improving family functioning.
- 2) It has improved child development by funding licensed child care (in some cases the first licensed child care in the county), providing assessments and early intervention, collaborating with employers to meet employee child care needs, and providing mobile family literacy services.
- 3) It has improved child health by establishing transportation programs to help families keep appointments, offering infant and toddler screening, launching multi-county oral health projects, and leading countywide efforts to address family substance abuse.
- 4) It has made it possible to provide integrated, accessible, inclusive, and culturally appropriate services by funding the first family resource centers in several counties, forging partnerships among grantees to reduce fragmented services, and tailoring services to the large number of Latino families moving into many rural counties.

- 5) It has allowed counties to better meet the needs of children with disabilities and other special needs by developing the capacity for early identification; funding outreach, screening, and early intervention services in areas where state-funded disability agencies seldom reach; and working with early childhood educators to assist with behavioral health needs.
- 6) It has permitted staff in these counties to use their time to seek funding from other sources and thus leverage Prop 10 revenues.

Ms. Soliz-Conklin indicated that if the augmentations were to end, several counties would be forced to discontinue their local Prop 10 commissions and others would have to lay off staff, which would threaten all of the initiatives they have underway.

David Finnegan, First 5 Commissioner from Del Norte County, thanked the Commission for funding the rural counties. He urged the Commission to continue the minimum funding of the 31 rural counties.

Discussion:

Chairman Reiner agreed with the importance of ensuring that Prop 10 remains a statewide effort and said he wished the statute had been drafted differently to assure an adequate allocation for all counties. He stated that while he believes the State Commission should continue to offer the lion's share of the small county allocation, he believes the larger counties should share in the funding.

Ms. Sherry Novick, Executive Director of the First 5 Association, pointed out that the larger counties do provide significant support to the smaller counties through a variety of in-kind and direct efforts. For example, the cost of the AmeriCorps and VISTA programs are shared and the larger counties provide the administrative support for many statewide activities.

Casey Beyer, Director of Governmental Affairs for First 5 Los Angeles, stated that Los Angeles County has been working diligently with the rural counties. He stated that the counties would lose their autonomy if we allow the Legislature to change any part of the Prop 10 statute.

Chairman Reiner asked the Association and state staff to review the latest county audits and to develop options for further discussion before this item is brought back to the Commission for action.

Agenda Item 12 – Preschool for All

Jane Henderson, Executive Director for First 5 California, provided an update on the Preschool for All initiative. She reported that two meetings have been held with all the counties that have indicated an interest in participating in Preschool for All. A meeting was also held with stakeholders statewide that largely included the child care and development community. Dr.

Henderson reported that the Association has moved forward in taking a strong leadership role in working with state staff to develop Preschool for All. She reported on the continuing partnership with the Packard Foundation to ensure that the State Commission and Packard's efforts continue to complement one another. Dr. Henderson reported that a meeting has been scheduled with the California Department of Education, Child Development Division, to discuss and make sure that what is proposed in the Preschool for All initiative will work and that the mechanism for the flow of funds will work. Commission staff is also working on criteria for participation and on what the "readiness" elements will be so that communities have a good sense of what they will be able to participate in.

Dr. Henderson reported that American Institute of Research (AIR) has developed a "how to" tool kit for use by local commissions and others. She reported that Part I is almost ready for release. It will assist counties with the planning process, including performing a realistic cost analysis. Part II will address outstanding issues, including meeting the needs of children with disabilities and other special needs and English-language learners, and addressing the cultural diversity of California's communities. Dr. Henderson noted that AIR was funded for the tool kit through a delegation authority made to her by the Commission to approve contracts under \$150,000. She noted that an additional contract, which would also fall under her delegated authority, would need to be done to complete Part II of the tool kit.

Commissioner Gutierrez asked if the tool kit would address the need for facilities or issues of governance. She is concerned that the Commission coordinates its approach with Los Angeles county Preschool for All efforts. Dr. Henderson stated that the investment in the ABCD Project is intended to focus on the facility issue so the tool kit does not address that problem to a great extent. She said the governance questions are a matter of policy still under discussion, and thus the tool kit is silent on that at this time. She acknowledged that the tool kit will need to be updated frequently in order to meet the needs of the users.

Agenda Item 13 – Research

Patricia Skelton, Interim Director of Research and Evaluation for First 5 California, presented this item. She reported the Research Subcommittee members are Commissioner Vismara and Ex-Officio member Genie Chough from the Health and Human Services Agency. (Note: Ms. Chough is no longer serving on the subcommittee; Commissioner Duff is now serving with Commissioner Vismara.)

Dr. Skelton stated that the purpose of the research agenda is to further the goals of First 5 California, support policy development and advocacy, facilitate program planning, improve services to children and families, and support the development of new services. She noted the Subcommittee discussed three types of research:

- 1) Scientific (basic)—produces new knowledge to establish general principles and theories;
- 2) Applied—seeks to understand how basic research can help alleviate a social problem and provide policymakers with well-grounded guides to actions; and

3) Evaluative—assesses outcomes of treatments or prevailing practices.

The Subcommittee recommends the role of the Commission should be a funder of applied and/or scientific research on issues and policies that support the Commission's school readiness vision. The criteria for research topics should support and further the Commission's vision, goals and objectives by informing and supporting topics such as: Principles on Equity, advocacy agenda, master plan recommendations, school readiness and related initiatives, preschool for all and innovative service approaches/initiatives at the local level. Additionally, it should address gaps where little/no current research exists; inform the Commission's policy agenda; and not duplicate efforts by First 5 county Commission or the statewide evaluation.

Dr. Skelton then noted the Subcommittee's initial recommendations are to use a staggered funding schedule over a four-year period, with the first round of funding on preschool for all and children with special needs. The recommendations for identifying topics would be to form a work group consisting of Subcommittee members, Commission staff, county representatives and identified experts. The work group would then further define the issues, develop conceptual frameworks and identify specific research questions. The Research Subcommittee, along with members of the working group, could present recommendations for specific research studies to the Commission.

The budget consists of \$5 million over a four-year period (2004-2008). Dr. Skelton noted that some of the work is contingent on additional staff resources. The implementation schedule is that in November work group members would be identified and workgroup meetings will be held in January-February 2004. In March 2004 the workgroup would finalize the research topics and in May 2004 specific research topics would be presented to the Commission and approval would be requested to release a Request for Proposals.

Discussion:

Chairman Reiner asked when recommendations from the work group would be ready for a Commission vote. He noted his concern that if the Commission meets in January and not again until May, it needs to act in January to allow efforts to begin. Dr. Henderson stated that recommendation could be available from the subcommittee and staff could present to the Commission at the January meeting. (Note: the Commission decided during this meeting to schedule a March meeting to, among other things, remain involved and informed about the research agenda.)

Commissioner Gutierrez asked about the evaluation plans for Preschool for All, noting that this would be a rare opportunity to look at the longitudinal impact.

Agenda Item 14 – Annual Review of Guidelines

Patricia Skelton, Interim Director of Research and Evaluation for First 5 California, presented this item as well. The Commission is required by statute to, on at least an annual basis, periodically review its adopted Guidelines and revise them as may be necessary or appropriate. The purpose of the Guidelines is to assist the County Commissions in the planning and design of their strategic plans and implementing Prop 10. Dr. Skelton stated the Commission had made major steps in achieving its vision of "...all young children will reach age five physically and emotionally healthy, learning and ready to achieve their greatest potential in school." The Commission has adopted school readiness as an overarching goal and has adopted a three-year strategic plan, guiding principles and equity principles, has implemented a statewide data and collection and evaluation process and is in the process of updating the Results to be Achieved document. She stated that it is important now to make some major revisions to the Guidelines. She suggested a working group be formed with county and state staff to review the Guidelines, recommend changes, and approve any new language that is drafted pursuant to the recommendations. The final writing and editing will be done by a consultant and the completed revised Guidelines will go to the Commission for approval.

Agenda Item 15 – Adjournment

Chairman Reiner adjourned the meeting at 2:50 p.m. The next Commission meeting will be a two-day meeting on January 15-16, 2003 in Burbank.